GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2146
ANSWERED ON:30.11.2007
GAIN DUE TO APPRECIATION OF RUPEE
Subbarayan Shri K.

Will the Minister of FINANCE be pleased to state:

he total quantum gain due to the appreciating Rupee against US Dollar by way of Interest payment on foreign debt during the last years and the current financial year?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

As the average exchange rate of the rupee per US dollar for 2006-07 at Rs. 45.28 represented a depreciation, there was no gain in rupee terms by way of interest payment on foreign debt in 2006-07. During April-June 2007, the latest period for which data are available, an interest amount (in US dollar terms) of US $ 1,523 million was paid on total foreign debt. Interest payments are effected regularly, in various currencies in which foreign debt is denominated, on the basis of prevailing exchange rates. However, for the purpose of estimating the quantum gain made during April-June 2007, the average exchange rate of Rs. 41.23 per US dollar for the quarter has been contrasted with the average exchange rate of Rs. 45.28 per US dollar for 2006-07. As per this, the gain (by way of interest payments on foreign debt during April-June 2007) in terms of Indian rupees is estimated to be around Rs. 617 crore due to the appreciation of rupee.